

8 April 2025

Dear 

Thank you for your request made under the Official Information Act 1982 (OIA), received on 25 February 2025. You requested the following:

- 1. The number of independent contractors engaged by Inland Revenue for more than five years, with a breakdown by role and business area and length of use.*
- 2. The total expenditure on these long-term contractors over the past five years broken down by contractor.*
- 3. Inland Revenue's policy on the use of independent contractors versus employees for core and non-core functions.*
- 4. The rationale for retaining independent contractors for extended periods, particularly within the Enterprise Design and Integrity area.*

I have interpreted your request to be for the number of current independent contractors engaged by Inland Revenue for more than five years as at 20 March 2025.

As at 20 March 2025, 12 independent contractors, with engagement periods ranging from 5 years and 1 month to 13 years and 11 months, fall within the scope of your request.

The table below, provides a breakdown of these contractors by business group, length of engagement range and total spent, per business group, for the last five years.

Business Group	Number of Contractors	Length of engagement range	Total spent for the last 5 years (\$m)
Customer and Compliance Services – Business and Individuals	5	5 Years 8 Months – 13 Years 11 Months	\$8,315,612
Enterprise Services and Enterprise, Design and Integrity	7	5 Years 1 Month – 10 years	\$12,442,047
Grand total	12	-	\$20,757,659

Due to the small number of contractors involved, I am withholding the breakdown of the contractors by role and the total expenditure for each contractor under section 9(2)(a) of the OIA, to protect their privacy.

These contractors are primarily engaged in project-related roles, typically moving from project to project and performing various roles to lead the establishment and bedding-in of new

initiatives or teams/functions, along with the associated change management and communications.

Inland Revenue initially engaged the majority of these contractors for its multi-year Business Transformation programme, where they played a key role. Despite the anticipated reduction in project work following the programme's completion, Inland Revenue continues to run numerous projects, including sourcing and implementing new customer contact centre technology, integrated operational planning, potential payroll improvements, implementing Government initiatives, optimising business systems, and introducing new system capabilities.

As part of its multi-year Business Transformation, Inland Revenue implemented a new operating model for the organisation. This operating model has evolved, and in some areas, particularly within the Enterprise Design & Integrity business group, new specialist teams/functions have been created as a result. Some of these new specialist teams/functions have been resourced with contractors during the team/function design and implementation phases. In some cases, contractors have been retained to lead or support the new team/capability while it matures into a steady state.

Inland Revenue does not have a policy on using independent contractors versus employees, therefore, your request for this policy is refused under section 18(e) of the OIA, as the policy doesn't exist. However, in February 2024, it was agreed with the Minister of Finance, Hon Nicola Willis, to reduce consultant and contractor expenditure by at least 17% for the 2023/24 financial year. Inland Revenue achieved this target, reducing expenditure from \$41.743 million in 2022/23 to \$27.185 million in 2023/24, a 35% reduction. More details on this reduction can be found in questions 68, 70, 112, 148 and 152 of [Inland Revenue's 2023/2024 Annual Review](#).

Right of review

As it is required by section 9(1) of the OIA, I have considered whether the grounds for withholding the information requested is outweighed by the public interest. In this instance, I do not consider that to be the case.

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: commissionerscorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

If you choose to have an internal review, you can still ask the Ombudsman for a review.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Juliet Glass

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